Government of Saskatchewan

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Weekly Hog Report

September 22, 2014

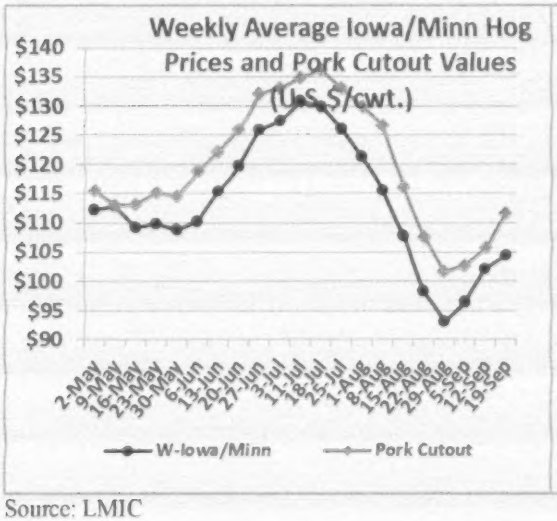
Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved higher over the week and ended higher, week-over-week. Hog prices on Friday averaged US$105.82 per cwt, up US$2.84 per cwt or 2.8 per cent from US$102.98 per cwt the previous Friday. The negotiated base price for the week averaged US$104.44 per cwt, up US$2.36 per cwt or 2.3 per cent from US$102.08 per cwt the previous week. Hog prices moved higher with support from stronger pork cutout values.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday September 19, 2014 was $210.09 per ckg, up $2.66 per ckg or 1.3 per cent from $207.43 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $209.64 per ckg, up $6.76 per ckg or 3.3 per cent from the previous weeks' average price of $202.89 per ckg. The Canadian dollar rebounded last week and closed Friday at 91.35 cents, up 1.21 cents from the previous Friday close of 90.14 cents.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$61.72 per head, up US$1.15 per head from US$60.57 per head the previous week. Feeders (40lb) were US$81.54 per head, up US$1.59 per head from US$79.95 per head the previous week.



Source: LMIC

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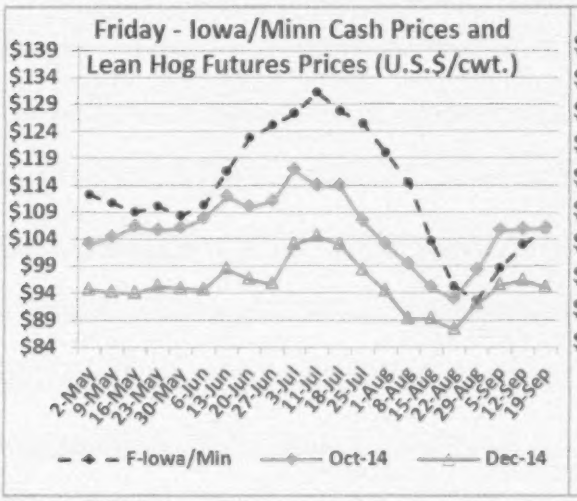
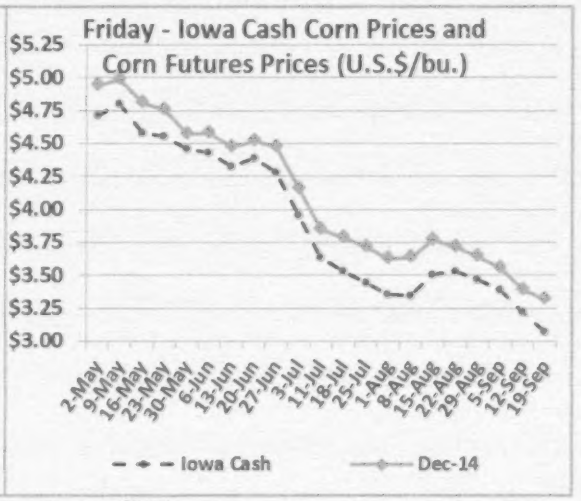
Futures Markets

Lean hog futures prices were weak early in the week but the nearby October contract ended Friday limit up. The October contract managed to edge slightly higher for the week to settle Friday at US$105.975 per cwt, while the December contract decreased US$1.450 per cwt to settle Friday at US$94.850 per cwt. U.S. hog slaughter numbers for the week were down slightly from the previous week but again over 2 million head.

The nearby corn, wheat, soybean, and gold futures prices were lower, while crude oil prices had a small increase, week-over-week. Many grain and mineral commodities were lower while hog and pork prices moved higher.



Source: CME



Source: CME

Iowa cash corn prices continued lower deceasing 15 cents per bushel, week-over-week, to end Friday at US$3.07 per bushel. The corn futures market edged higher Monday and Tuesday before declining Wednesday to Friday. The December corn contract was down 7 cents to settle Friday at US$3.31½ per bushel, while the March 2015 corn futures contract was down almost 7 cents to settle Friday at $3.44¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week ending September 20 were estimated at 2.050 million head, down slightly from 2.053 million head the previous week, and down 5.9 per cent from 2.178 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 1.966 million head, down 7.9 per cent from 2.135 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Sept. 14, 2014 were estimated at 422,669 head, up 22.1 per cent from 346,112 head the previous shorter Labor Day week, and up 1.7 per cent from 415,527 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending September 14 were estimated to average 395,074 head, up slightly from 394,781 head over the same period a year ago. Western Canadian hogs slaughtered over the last four weeks were estimated to average 163,925 head, up 2.0 per cent from the same four weeks a year-ago.

Meat Production

U.S. pork production for the week ending September 20 was estimated at 434.1 million lb., down slightly from 434.9 million lb. the previous week, and down 2.4 per cent from 444.8 million lb. the same week a year ago. Pork production over the last four weeks ending September 20 was estimated to average 417.2 million lb., down 4.1 per cent from 435.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 20 was estimated at 465.4 million lb., down 3.3 per cent from 481.1 million lb. the previous week, and down 7.5 per cent from 502.9 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending September 13, 2014, was estimated at 1.934 billion lb., down 0.8 per cent from 1.949 billion lb. over the same four weeks a year ago, and down 1.8 per cent year-to-date.

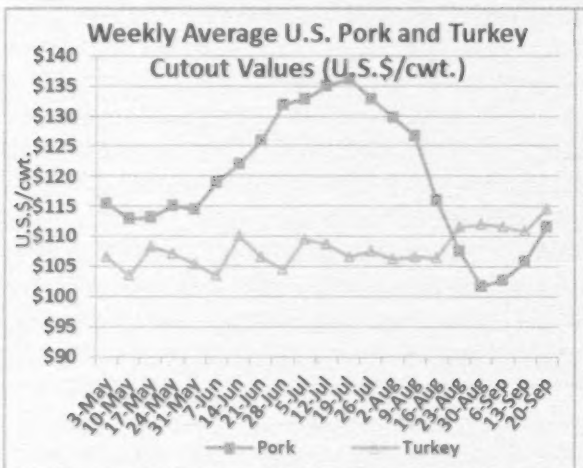
United States Weekly Meat Production

(Sept. 13) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	435.8	414.6	-4.8%	-1.0%
Beef	490.1	463.0	-5.5%	-5.6%
Chicken	898.4	927.6	3.3%	0.1%
Turkey	125.0	128.3	2.7%	-3.5%
Total	**1,949.2**	**1,933.6**	**-0.80%**	**-1.80%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending September 20, 2014 averaged US$111.49 per cwt, up US$5.68 per cwt or 5.4 per cent from US$105.81 per cwt from the previous week, and up 12.8 per cent from US$98.88 per cwt the same week a year ago. Pork, turkey, and chicken cutout prices all increased last week while beef cutouts declined.



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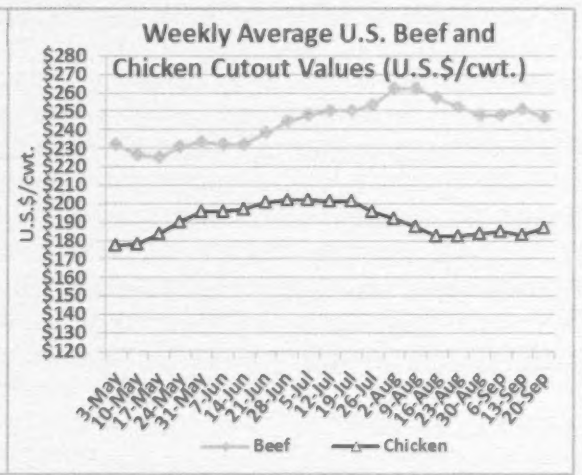

Source: LMIC

Average beef cutout values (Choice 600-900 lb.) for the week ending September 20 averaged US$246.23 per cwt, down US$4.85 per cwt from the average price of US$251.08 per cwt from the previous week, but up 27.6 per cent from US$192.94 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers today (September 22). The United States' pork stocks in cold storage totaled 546.3 million lb. on August 31, 2014, up 2.4 per cent from 533.3 million lb. on July 31, 2014, but down 0.5 per cent from 549.0 million lb. on August 31, 2013.

The U.S. beef stocks in cold storage totaled 343.7 million lb. on August 31, 2014, down 6.2 per cent from 366.3 million lb. on July 31, 2014, and down 20.1 per cent from 430.2 million lb. on August 31, 2013.

Chicken in cold storage totaled 616.0 million lb. on August 31, 2014, up 0.5 per cent from 613.3 million lb. on July 31, 2014, but down 13.1 per cent from 709.1 million lb. on August 31, 2013.

Turkey in cold storage totaled 492.8 million lb. on August 31, 2014, up 1.2 per cent from 487.0 million lb. on July 31, 2014, but down 15.1 per cent from 580.1 million lb. on August 31, 2013.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 1.999 billion lb. on August 31, 2014, down slightly from 2.000 billion lb. on July 31, 2014, and down 11.9 per cent from 2.268 billion lb. on August 31, 2013.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**August 31, 2013**	**July 31, 2014**	**August 31, 2014**
Pork	548,975	533,259	546,305
Beef	430,236	366,264	343,664
Chicken	709,102	613,254	616,028
Turkey	580,069	487,012	492,769
Total Combined	**2,268,382**	**1,999,789**	**1,998,766**

Source: NASS

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